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**Lingbao Gold Company Ltd.**

**靈寶黃金股份有限公司**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 3330)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

The board of directors (the “Board”) of Lingbao Gold Company Ltd. (the “Company”), hereby presents the consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2014, which have been reviewed by the Company’s Audit Committee.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014

	<i>Note</i>	<b>2014</b> <i>RMB'000</i>	2013 <i>RMB'000</i>
<b>Turnover</b>	3	<b>6,496,351</b>	7,942,084
Cost of sales		<u>(5,921,897)</u>	<u>(8,072,762)</u>
Gross profit/(loss)		<b>574,454</b>	(130,678)
Other revenue	4	<b>34,067</b>	37,340
Other net income/(loss)	5	<b>49,875</b>	(72,915)
Selling and distribution expenses		<b>(32,938)</b>	(29,059)
Administrative expenses and other operating expenses		<u>(327,022)</u>	<u>(412,432)</u>
<b>Profit/(loss) from operations</b>		<b>298,436</b>	(607,744)
Finance costs	6(a)	<u>(241,736)</u>	<u>(239,017)</u>
<b>Profit/(loss) before taxation</b>	6	<b>56,700</b>	(846,761)
Income tax	7	<u>(39,442)</u>	<u>138,478</u>
<b>Profit/(loss) for the year</b>		<b><u>17,258</u></b>	<b><u>(708,283)</u></b>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>33,687</b>	(673,365)
Non-controlling interests		<u>(16,429)</u>	<u>(34,918)</u>
Profit/(loss) for the year		<b><u>17,258</u></b>	<b><u>(708,283)</u></b>
<b>Basic and diluted earnings/(loss) per share (cents)</b>	9	<b><u>4</u></b>	<b><u>(87)</u></b>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
<b>Profit/(loss) for the year</b>	<b>17,258</b>	(708,283)
<b>Other comprehensive income for the year</b>		
<b>Item that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translation of financial statements of overseas subsidiaries	<u>(1,045)</u>	<u>3,753</u>
<b>Total comprehensive income for the year</b>	<b><u>16,213</u></b>	<b><u>(704,530)</u></b>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>32,813</b>	(670,545)
Non-controlling interests	<u>(16,600)</u>	<u>(33,985)</u>
<b>Total comprehensive income for the year</b>	<b><u>16,213</u></b>	<b><u>(704,530)</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	<i>Note</i>	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		2,061,962	2,093,610
Construction in progress		450,317	352,373
Intangible assets		730,644	729,331
Goodwill		7,302	7,346
Lease prepayments		174,229	178,989
Other financial assets		19,714	10,504
Non-current prepayments		20,703	15,279
Deferred tax assets		290,044	303,586
		<u>3,754,915</u>	<u>3,691,018</u>
<b>Current assets</b>			
Inventories		1,641,201	1,449,970
Trade and other receivables, deposits and prepayments	<i>11</i>	1,196,112	1,150,422
Assets classified as held for sale		9,339	7,539
Current tax recoverable		6,798	9,840
Pledged deposits		158,946	47,555
Cash and cash equivalents		372,312	367,202
		<u>3,384,708</u>	<u>3,032,528</u>
<b>Current liabilities</b>			
Bank loans		2,108,826	1,721,954
Other loan		1,784	2,081
Trade and other payables	<i>12</i>	1,128,430	1,165,934
Loan from ultimate holding company		23,800	23,800
Current tax payable		5,633	1,317
		<u>3,268,473</u>	<u>2,915,086</u>
<b>Net current assets</b>		<u>116,235</u>	<u>117,442</u>
<b>Total assets less current liabilities</b>		<u>3,871,150</u>	<u>3,808,460</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(continued)**At 31 December 2014*

	<i>Note</i>	<b>2014</b> <b>RMB'000</b>	2013 <b>RMB'000</b>
<b>Non-current liabilities</b>			
Debenture payable		<b>700,000</b>	700,000
Bank loans		<b>1,380,309</b>	1,368,117
Other payables	<i>12</i>	<b>95,240</b>	63,981
Deferred tax liabilities		<b>2,086</b>	159
		<u><b>2,177,635</b></u>	<u>2,132,257</u>
<b>NET ASSETS</b>		<u><b>1,693,515</b></u>	<u>1,676,203</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>154,050</b>	154,050
Reserves		<u><b>1,542,257</b></u>	<u>1,509,444</u>
<b>Total equity attributable to equity shareholders of the Company</b>		<b>1,696,307</b>	1,663,494
<b>Non-controlling interests</b>		<u><b>(2,792)</b></u>	<u>12,709</u>
<b>TOTAL EQUITY</b>		<u><b>1,693,515</b></u>	<u>1,676,203</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), “Accounts and Audit”, which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

## 2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company:

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities*
- Amendments to HKAS 32, *Offsetting financial assets and financial liabilities*
- Amendments to HKAS 36, *Recoverable amount disclosures for non-financial assets*
- Amendments to HKAS 39, *Novation of derivatives and continuation of hedge accounting*
- HK(IFRIC) 21, *Levies*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### **Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities***

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended HKFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on these financial statements as the Company does not qualify to be an investment entity.

### **Amendments to HKAS 32, *Offsetting financial assets and financial liabilities***

The amendments to HKAS 32 clarify the offsetting criteria in HKAS 32. The amendments do not have an impact on these financial statements as they are consistent with the policies already adopted by the Group.

### **Amendments to HKAS 36, *Recoverable amount disclosures for non-financial assets***

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or cash-generating unit whose recoverable amount is based on fair value less costs of disposal. The disclosures about the Group’s impaired non-financial assets have been conformed to the amended disclosure requirements.

### **Amendments to HKAS 39, *Novation of derivatives and continuation of hedge accounting***

The amendments to HKAS 39 provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendments do not have an impact on these financial statements as the Group has not novated any of its derivatives.

## 2 CHANGES IN ACCOUNTING POLICIES *(continued)*

### HK(IFRIC) 21, *Levies*

The Interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on these financial statements as the guidance is consistent with the Group's existing accounting policies.

## 3 TURNOVER

The principal activities of the Group are mining, processing, smelting and sales of gold and other metallic products in the People's Republic of China ("PRC").

Turnover represents the sales value of goods sold to customers, net of sales tax and value added tax. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	<b>2014</b>	2013
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Sales of:		
– Gold	<b>4,855,253</b>	6,260,531
– Other metals	<b>1,632,888</b>	1,666,018
– Others	<b>18,488</b>	24,387
Less: Sales taxes and levies	<b>(10,278)</b>	(8,852)
	<b><u>6,496,351</u></b>	<u>7,942,084</u>

The Group has only one customer with whom transactions have exceeded 10% of the Group's revenues. In 2014, revenues from sales of gold products to this customer amounted to approximately RMB4,855,253,000 (2013: RMB6,260,531,000) arose in the Henan Province, the PRC.

## 4 OTHER REVENUE

	<b>2014</b>	2013
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Bank interest income	<b>6,595</b>	3,908
Government grants	<b>14,117</b>	25,320
Scrap sales	<b>11,438</b>	7,052
Sundry income	<b>1,917</b>	1,060
	<b><u>34,067</u></b>	<u>37,340</u>

**5 OTHER NET INCOME/(LOSS)**

	<b>2014</b>	2013
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Net realised and unrealised gain on financial instruments at fair value	<b>8,794</b>	2,041
Net loss on disposal of property, plant and equipment, and intangible assets	<b>(642)</b>	(4,934)
Net foreign exchange losses	<b>(2,273)</b>	(11,410)
Impairment of property, plant and equipment, intangible assets and goodwill	<b>(6,044)</b>	(56,971)
Gain on disposal of a subsidiary ( <i>note 13</i> )	<b>50,263</b>	–
Others	<b>(223)</b>	(1,641)
	<b><u>49,875</u></b>	<b><u>(72,915)</u></b>

**6 PROFIT/(LOSS) BEFORE TAXATION**

Profit/(loss) before taxation is arrived at after charging/(crediting):

	<b>2014</b>	2013
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>(a) Finance costs:</b>		
Interest expenses on bank advances wholly repayable within five years	<b>201,065</b>	199,406
Interest expenses on debentures	<b>41,350</b>	41,589
Other borrowing costs	<b>1,969</b>	2,303
	<b><u>244,384</u></b>	<u>243,298</u>
Total interest expenses on financial liabilities not at fair value through profit or loss	<b>244,384</b>	243,298
Less: interest expenses capitalised into construction in progress*	<b>(2,648)</b>	(4,281)
	<b><u>241,736</u></b>	<b><u>239,017</u></b>

\* *The borrowing costs have been capitalised at a rate of 5.60%~6.28% per annum (2013: 5.60%~6.30%).*

**6 PROFIT/(LOSS) BEFORE TAXATION** *(continued)*

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
<b>(b) Staff costs#:</b>		
Salaries, wages and bonuses	283,303	319,612
Staff welfare	15,444	19,570
Contributions to retirement benefit schemes	23,382	21,120
	<u>322,129</u>	<u>360,302</u>
Less: Staff costs capitalised into construction in progress	(11,164)	(28,567)
	<u><b>310,965</b></u>	<u><b>331,735</b></u>
	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
<b>(c) Other items:</b>		
Cost of inventories#	5,921,897	8,072,762
Amortisation of lease prepayments	5,484	5,411
Amortisation of intangible assets#	5,617	7,097
Less: Amortisation capitalised into exploration and evaluation assets	(2,285)	(3,412)
	<u>3,332</u>	<u>3,685</u>
Depreciation#	216,962	217,180
Less: Depreciation capitalised into construction in progress	(1,391)	(1,750)
	<u><b>215,571</b></u>	<u><b>215,430</b></u>
Provision/(reversal) of impairment losses on:		
– trade and other receivables	6,989	1,111
– purchase deposits	(8,609)	11,535
– property, plant and equipment	–	22,584
– intangible assets	6,044	329
– goodwill	–	34,058
Operating lease charges in respect of properties	3,368	3,740
Auditors' remuneration	5,045	4,766
Research and development expenses	36,811	26,862
Pollution discharge fee	1,726	1,919
Environmental rehabilitation fee	18,939	16,523

# *Cost of inventories includes RMB339,176,000 (2013: RMB356,400,000) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses.*

**7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	<b>2014</b> <i>RMB'000</i>	2013 <i>RMB'000</i>
<b>Current tax – PRC income tax</b>		
Provision for the year	<b>23,973</b>	19,628
Under-provision in respect of prior years	–	1,583
	<u>23,973</u>	<u>21,211</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<b>7,969</b>	(171,877)
Reversal of deferred tax assets recognised in previous year	<b>7,500</b>	12,188
	<u>15,469</u>	<u>(159,689)</u>
	<u><b>39,442</b></u>	<u>(138,478)</u>

**8 DIVIDENDS**

**Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the year**

	<b>2014</b> <i>RMB'000</i>	2013 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved during the year of RMBNil (2013: RMB0.07) per ordinary share	–	53,917
	<u>–</u>	<u>53,917</u>

**9 EARNINGS/(LOSS) PER SHARE**

**(a) Basic earnings/(loss) per share**

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity shareholders of the Company of RMB33,687,000 (2013: loss of RMB673,365,000) and 770,249,091 ordinary shares (2013: 770,249,091 shares) in issue during the year ended 31 December 2014.

**(b) Diluted earnings/(loss) per share**

The diluted earnings/(loss) per share for the current and the prior year is the same as the basic earnings/(loss) per share as there are no dilutive ordinary shares during the years.

## 10 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by a mixture of business lines (production processes, products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. Operating segments with similar nature of the production process, products and services have been aggregated to form the following reportable segments.

Mining – PRC	–	Gold mining and mineral ores processing operations in the PRC.
Mining – Kyrgyz Republic (“KR”)	–	Gold mining and mineral ores processing operations in the KR.
Smelting	–	Gold and other metal smelting and refinery operations carried out in the PRC.
Copper processing	–	Copper processing operation carried out in the PRC.

### (a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets, intangible assets, deferred tax assets and current assets with the exception of investments in financial assets and other corporate assets managed by head office. Segment liabilities include trade creditors and accruals attributable to the activities of the individual segments, deferred tax liabilities and bank and other borrowings managed directly by the segments with the exception of bank borrowings managed by head office.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, other than reporting inter-segment sales of goods, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

**10 SEGMENT REPORTING (continued)**
**(a) Segment results, assets and liabilities (continued)**

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2014 and 2013 is set out below.

	Mining – PRC		Mining – KR		Smelting		Copper processing		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	3,878	–	–	–	5,550,205	7,142,718	952,546	808,218	6,506,629	7,950,936
Inter-segment revenue	784,835	768,772	10,268	972	161,441	173,875	1,331	–	957,875	943,619
Sales tax	(407)	(55)	–	–	(8,668)	(8,375)	(1,203)	(422)	(10,278)	(8,852)
Reportable segment revenue	<b>788,306</b>	768,717	<b>10,268</b>	972	<b>5,702,978</b>	7,308,218	<b>952,674</b>	807,796	<b>7,454,226</b>	8,885,703
Reportable segment profit/(loss)	<b>128,473</b>	3,122	<b>(58,956)</b>	(74,515)	<b>152,791</b>	(563,544)	<b>77,391</b>	41,527	<b>299,699</b>	(593,410)
Reportable segment assets	<b>2,036,427</b>	2,002,471	<b>862,908</b>	829,407	<b>2,346,445</b>	2,174,852	<b>1,610,588</b>	1,578,374	<b>6,856,368</b>	6,585,104
Reportable segment liabilities	<b>854,069</b>	881,676	<b>1,052,354</b>	938,825	<b>1,947,228</b>	1,940,392	<b>1,306,632</b>	1,319,093	<b>5,160,283</b>	5,079,986
<b>Other segment information</b>										
Interest expenses	(19,448)	(19,482)	(20,513)	(16,221)	(79,827)	(89,763)	(25,884)	(21,753)	(145,672)	(147,219)
Net foreign exchange gain/(losses)	–	(8)	733	(3,432)	(3,326)	(966)	(314)	(2,679)	(2,907)	(7,085)
Depreciation and amortisation for the year	(87,449)	(91,058)	(36,071)	(33,979)	(41,259)	(43,513)	(48,507)	(47,071)	(213,286)	(215,621)
(Provision)/reversal of impairment on:										
– trade and other receivables	(6)	–	–	–	–	129	(6,983)	(1,240)	(6,989)	(1,111)
– purchase deposits	–	–	–	–	8,609	(11,535)	–	–	8,609	(11,535)
– property, plant and equipment	–	(22,584)	–	–	–	–	–	–	–	(22,584)
– intangible assets	(6,044)	(329)	–	–	–	–	–	–	(6,044)	(329)
– goodwill	–	(34,058)	–	–	–	–	–	–	–	(34,058)

10 SEGMENT REPORTING (continued)

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
<b>Revenue</b>		
Reportable segment revenue	7,454,226	8,885,703
Elimination of inter-segment revenue	<u>(957,875)</u>	<u>(943,619)</u>
Consolidated revenue	<u><u>6,496,351</u></u>	<u><u>7,942,084</u></u>
<b>Profit or loss</b>		
Reportable segment profit/(loss)	299,699	(593,410)
Elimination of inter-segment profits	<u>(8,429)</u>	<u>157,745</u>
Reportable segment profit/(loss) derived from the Group's external customers	291,270	(435,665)
Other net income/(loss)	49,875	(72,915)
Finance costs	(241,736)	(239,017)
Unallocated head office and corporate expenses	<u>(42,709)</u>	<u>(99,164)</u>
Consolidated profit/(loss) before taxation	<u><u>56,700</u></u>	<u><u>(846,761)</u></u>
<b>Assets</b>		
Reportable segment assets	6,856,368	6,585,104
Elimination of inter-segment receivables	(386,528)	(439,687)
Elimination of unrealised profits	<u>(13,326)</u>	<u>(4,159)</u>
	6,456,514	6,141,258
Other non-current financial assets	19,714	10,504
Cash and cash equivalents managed by head office	111,681	23,709
Unallocated head office and corporate assets	<u>551,714</u>	<u>548,075</u>
Consolidated total assets	<u><u>7,139,623</u></u>	<u><u>6,723,546</u></u>
<b>Liabilities</b>		
Reportable segment liabilities	5,160,283	5,079,986
Elimination of inter-segment payables	<u>(386,528)</u>	<u>(439,688)</u>
	4,773,755	4,640,298
Unallocated head office and corporate liabilities	<u>672,353</u>	<u>407,045</u>
Consolidated total liabilities	<u><u>5,446,108</u></u>	<u><u>5,047,343</u></u>

## 11 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade and other receivables, deposits and prepayments comprise:

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Trade receivables	456,057	452,640
Bills receivable	199,905	163,192
Less: Allowance for doubtful debts	<u>(14,011)</u>	<u>(7,022)</u>
	----- 641,951	----- 608,810
Other receivables, deposits and prepayments	272,399	274,530
Less: Allowance for doubtful debts	<u>(1,941)</u>	<u>(1,947)</u>
	----- 270,458	----- 272,583
Purchase deposits ( <i>note (d)</i> )	296,848	308,343
Less: Allowance for non-delivery	<u>(30,707)</u>	<u>(39,316)</u>
	----- 266,141	----- 269,027
Deposits for derivative financial instruments	<u>17,562</u>	<u>2</u>
Amount due from Beijing Jiuyi ( <i>note (e)</i> )	----- -	----- -
	<u><u>1,196,112</u></u>	<u><u>1,150,422</u></u>

All of the trade and other receivables, deposits and prepayments are expected to be recovered within one year.

### (a) Ageing analysis

The ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Within three months	456,413	317,303
Over three months but less than six months	149,531	254,721
Over six months but less than one year	31,691	27,395
Over one year but less than two years	<u>4,316</u>	<u>9,391</u>
At 31 December	<u><u>641,951</u></u>	<u><u>608,810</u></u>

For sales of gold, the Group requests customers to pay cash in full immediately upon the delivery. For sales of other metallic products, trade and bills receivables are due within 90 days to 180 days from the date of billing.

**11 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS** *(continued)***(b) Trade and bills receivables that are not impaired**

The ageing analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired are as follows:

	<b>2014</b> <i>RMB'000</i>	2013 <i>RMB'000</i>
Neither past due nor impaired	<b>605,944</b>	576,933
Less than one year past due	<b>36,007</b>	31,877
	<b>641,951</b>	608,810

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers for whom there is no recent history of default. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

**(c) Impairment of trade and other receivables**

Impairment losses in respect of trade and other receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and other receivables directly.

The movement in the allowance for doubtful receivables during the year is as follows:

	<b>2014</b> <i>RMB'000</i>	2013 <i>RMB'000</i>
At 1 January	<b>8,969</b>	8,089
Impairment loss recognised	<b>6,989</b>	1,111
Impairment loss written off	<b>(6)</b>	(231)
At 31 December	<b>15,952</b>	8,969

At 31 December 2014, the Group's trade and other receivables of RMB15,952,000 (2013: RMB8,969,000) were individually determined to be impaired.

## 11 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

### (d) Purchase deposits

Purchase deposits represent the amounts paid by the Group in advance to suppliers to secure timely and stable supply of mineral sand for the purposes of refining in future periods. The directors of the Company consider that appropriate procedures have been taken by the Group to assess the capabilities of the suppliers to supply mineral sand and expect that the purchase deposits would be gradually recovered through future purchases of mineral sand from the respective suppliers.

### (e) Amount due from Beijing Jiuyi

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Amount due from Beijing Jiuyi	30,800	30,800
Less: Impairment losses	<u>(30,800)</u>	<u>(30,800)</u>
	<u><u>—</u></u>	<u><u>—</u></u>

The balance due from Beijing Jiuyi was relating to a compensation payment for a proposed acquisition in previous years. The directors considered the balance of RMB30,800,000 would not be recoverable and accordingly, an impairment loss was provided.

## 12 TRADE AND OTHER PAYABLES

Current trade and other payables:

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Bills payable	30,000	24,850
Trade payables	497,217	529,966
Other payables and accruals	390,418	404,667
Payable for mining rights	81,383	81,089
Deferred income (note (a))	87,646	80,900
Dividend payable	1,260	9,222
Payable to non-controlling interests (note (b))	35,429	35,240
Derivative financial liabilities	<u>5,077</u>	<u>—</u>
	<u><u>1,128,430</u></u>	<u><u>1,165,934</u></u>

Non-current other payables

Decommissioning costs	13,988	13,938
Deferred income (note (a))	<u>81,252</u>	<u>50,043</u>
	<u><u>95,240</u></u>	<u><u>63,981</u></u>

- (a) Deferred income represents grants received from the government for the exploration of mines and construction of mining related assets. When certain conditions are met, the government grants are recognised as income over the periods necessarily to match them with the related costs of assets constructed which they are intended to compensate over the periods and in the proportion in which depreciation on those assets is charged.

## 12 TRADE AND OTHER PAYABLES (continued)

(b) Payable to non-controlling interests is unsecured, interest free and repayable on demand.

The ageing analysis of trade payables (which are included in trade and other payables) based on the invoice date, is as follows:

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Within three months	466,343	487,442
Over three months but less than six months	10,265	18,930
Over six months but less than one year	5,741	12,183
Over one year but less than two years	7,990	6,826
Over two years	6,878	4,585
	<u>497,217</u>	<u>529,966</u>

## 13 DISPOSAL OF A SUBSIDIARY

Pursuant to the agreement dated 5 December 2014 entered into between the Company and China Sciences Lianrong Investment and Development (Beijing) Co., Ltd. (“China Sciences”), an independent third party, the Group disposed of its 80% equity interests in Puyue Beijing Mining (Lao) Co., Limited (“Puyue Mining”), at a consideration of RMB37,257,000.

At the same time, the Company acquired 1.3% equity interests in Puyue Mining from Beijing Puyue Investment Co., Ltd., the then non-controlling shareholder, at a consideration of RMB4,000,000.

The disposal was completed on 22 December 2014, on which date control of Puyue Mining was passed to China Sciences, and resulted in a gain on disposal of RMB50,263,000 for the year ended 31 December 2014.

After the above disposal and acquisition transactions, the Group retained 20% equity interests in Puyue Mining. The Group had no significant influence on Puyue Mining after losing control of it, and the investment cost was measured at its fair value on the disposal date.

## 13 DISPOSAL OF A SUBSIDIARY (continued)

	<b>As at the date of disposal RMB'000</b>
<b><i>Net assets disposed of</i></b>	
Current assets	563
Non-current assets (including goodwill)	17,171
Current Liabilities	<u>(26,360)</u>
	(8,626)
Non-controlling interests	1,099
Fair value of the equity interests retained after disposal	(9,210)
Transfer exchange reserve to investment income	(269)
Gain on disposal of a subsidiary (note 5)	50,263
Payables to the then non-controlling shareholder for acquisition of 1.3% equity interests	<u>4,000</u>
Cash consideration	<u><u>37,257</u></u>
<b>An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follow:</b>	
Cash consideration	37,257
Cash and cash equivalents disposed of	<u>(229)</u>
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	<u><u>37,028</u></u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Review of Business

In 2014, the Group produced approximately 19,569 kg (equivalent to approximately 629,158 ounce) gold, representing an increase of approximately 1,914 kg (equivalent to approximately 61,537 ounce) or 10.8% as compared with the previous year. The Group's turnover decreased by 18.2% to approximately RMB6,496,351,000. The profit attributable to the equity shareholders of the Company for the year was approximately RMB33,687,000, while the loss attributable to the equity shareholders of the Company for the previous year was RMB673,365,000. The Company's basic earnings per share was RMB0.04. The net profit was mainly due to (i) the purchase of raw materials at lower costs, resulting in the decrease of production costs as compared with the corresponding period of previous year; (ii) the enforcement of control of production costs and management expenses; (iii) the decrease in impairment losses of goodwill, intangible assets and property, plant and equipment of the Group of approximately RMB50,927,000 as compared with the corresponding period of previous year; and (iv) the gain of RMB50,263,000 from the disposal of 80% equity interests in Puyue Mining in December 2014.

Given that raw materials accounted for over 83% of total production cost, the Group intends to increase its self-produced output of mine gold through expansion of mining operation, and uplift the overall production and operation targets, so as to minimise the risks associated with raw materials purchased from outsiders.

## 1. Mining Segment

### *Turnover and production*

Our mining business mainly comprises the sales of gold concentrates and compound gold. Most of the gold concentrates and compound gold were sold to the Group's smelting plant as inter-segment sales.

The following table sets forth the analysis of the production and sales volume of the mining segment by product category:

		2014		2013	
	Unit	Approximate production volume	Approximate sales volume	Approximate production volume	Approximate sales volume
Gold concentrates (contained gold)	kg	2,191	2,221	2,168	2,167
Compound gold	kg	<u>1,230</u>	<u>1,221</u>	<u>930</u>	<u>944</u>
Total	kg	3,421	3,442	3,098	3,111
Total	ounce	109,988	110,663	99,603	100,021

The total turnover of the mining segment of the Group for 2014 was approximately RMB798,574,000, representing an increase of approximately 3.8% from approximately RMB769,689,000 in 2013. During the year, turnover of gold mines in Henan, Xinjiang, Inner Mongolia and KR represented approximately 58.8%, 26.8%, 13.1% and 1.3% of the total turnover of the mining segment respectively. The production volume of compound gold of the Group increased by approximately 300 kg to approximately 1,230 kg while the production volume of its gold concentrates increased by approximately 23 kg to approximately 2,191 kg.

In 2014, Full Gold Mining Limited Liability Company ("Full Gold") focused on mining technological test and processing technological upgrading. In respect to the mining production technology, the test of the sub-level caving method succeeded, and the mining dilution rate and the loss rate substantially dropped. In respect of processing technological upgrading, good progress was also achieved.

### *Segment results*

The Group's results of the mining segment for 2014 was profit of approximately RMB69,517,000, as compared to the loss of approximately RMB71,393,000 in 2013. The segment result to segment turnover ratio of the Group's mining segment for 2014 was approximately 8.7%, as compared to approximately (9.3)% in 2013. The loss for the previous year was mainly due to significant decline in gold price.

## 2. Smelting Segment

Our smelting plant is situated in Henan Province, and is capable of processing gold, silver, copper and sulphur. Its main products include gold bullion, silver, copper products and sulphuric acid. The following table sets forth the analysis of the production and sales volume of the smelting segment by product category:

Product	Unit	2014		2013	
		Approximate production volume	Approximate sales volume	Approximate production volume	Approximate sales volume
Gold bullion	kg	<b>19,569</b>	<b>19,418</b>	17,655	22,547
	ounce	<b>629,158</b>	<b>624,303</b>	567,621	724,903
Silver	kg	<b>42,150</b>	<b>41,538</b>	56,302	93,041
	ounce	<b>1,355,154</b>	<b>1,335,478</b>	1,810,151	2,991,338
Copper products	tonne	<b>16,585</b>	<b>16,663</b>	15,002	14,946
Sulphuric acid	tonne	<b>193,884</b>	<b>196,458</b>	175,111	168,323

### *Sales and production*

The Group's total turnover from the smelting segment for 2014 was approximately RMB5,702,978,000, representing a decrease of approximately 22.0% from approximately RMB7,308,218,000 in 2013. Such decrease was mainly attributable to the decrease in our sale volume and average selling price of gold bullion sold of approximately 13.9% and 10.0% respectively as compared with the previous year.

The daily processing capacity of the Group was approximately 1,000 tonnes of gold concentrates, and capacity utilisation rate was approximately 100%. The Group's production volume of gold, silver, copper and sulphuric acid increased/(decreased) by approximately 10.8%, (25.1)%, 10.6% and 10.7% respectively as compared with the previous year. During the year, the gold recovery rate was approximately 96.3%, the silver recovery rate was approximately 71.8% and the copper recovery rate was approximately 96.3%. The recovery rates remained at high level.

### *Segment results*

Our smelting segment results for 2014 was profit of approximately RMB152,791,000, as compared to the loss of approximately RMB563,544,000 in 2013. The segment results to segment turnover ratio of our smelting business in 2014 was approximately 2.7%, as compared to approximately (7.7)% in 2013. The loss for the previous year was mainly attributable to the significant drop in the selling price of gold and a higher cost of raw materials. The reason for the high cost of raw materials was that a portion of the raw materials was purchased before the slump of gold price, resulting in a negative gross profit margin of the segment's products.

## Outlook

The Group's operation objective for 2015 is to maintain profit making with stable development. In respect of mine exploration and reserve increase, the Group will strictly implement the mine exploration planning, exert its efforts to speed up the construction of major exploration projects in a scientific and rational manner so as to constantly expand the room for reserve increase. The Group will accelerate its expansion project, especially upgrading the mining and processing technology of Full Gold. The year of 2015 will be a year with challenges and the Group will keep its costs under strict control to ensure its profitability.

## FINANCIAL INFORMATION

### 1. Operating Results

#### Turnover

The Group's sales analysis by products is shown as follows:

	2014			2013		
	Amount	Sales volume	Unit price	Amount	Sales volume	Unit price
	(RMB'000)	(kg/tonne)	(RMB per kg/tonne)	(RMB'000)	(kg/tonne)	(RMB per kg/tonne)
Gold bullion	4,855,253	19,418 kg	250,039	6,260,531	22,547 kg	277,666
Silver	141,405	41,538 kg	3,404	341,162	93,041 kg	3,667
Copper products	535,059	12,763 tonnes	41,923	498,343	11,160 tonnes	44,654
Copper foils	952,546	14,933 tonnes	63,788	808,218	11,859 tonnes	68,152
Sulphuric acid	18,488	196,458 tonnes	94	24,387	168,323 tonnes	145
Gold concentrates	3,878	19 kg	204,105	18,295	68 kg	269,044
Turnover before tax	6,506,629			7,950,936		
Less: Sales tax	(10,278)			(8,852)		
	<u>6,496,351</u>			<u>7,942,084</u>		

The Group's turnover for 2014 was approximately RMB6,496,351,000, representing a decrease of approximately 18.2% as compared with the previous year, of which the turnover of gold bullion accounted for 74.7% of its total turnover. Such decrease was mainly attributable to the decrease in our sales volume and average selling price of gold bullion sold during the year of approximately 13.9% and 10.0% respectively.

The Group commenced its copper processing business during the year 2008, mainly involving the production of copper foil. In 2014, the Group continued to accelerate project construction and products transformation and upgrading to improve its service quality and expand its product sales. With the dedicated work by all of our staff, the production and sales volume of copper foil were 14,936 tonnes and 14,933 tonnes respectively, representing an increase of approximately 23.0% and 25.9% respectively as compared with last year.

#### *Gross profit and gross profit margin*

The Group's gross profit and gross profit margin for 2014 were approximately RMB574,454,000 and 8.8% respectively, as compared to the gross loss and gross profit margin for 2013 of RMB130,678,000 and (1.6)% respectively. The Group purchased raw materials at lower costs in 2014, therefore, its production costs fell as compared with the corresponding period of previous year. The reason for the high cost of raw materials in the previous year was that a portion of the raw materials was purchased before the slump of gold price, resulting in the negative in gross profit margin of products of the Group in 2013. Raw materials are a major component of the Group's cost of sales and a material change in raw materials price will severely affect the Group's gross profit and gross profit margin.

#### *Other revenue*

The Group's other revenue for 2014 was approximately RMB34,067,000, representing a decrease of approximately 8.8% as compared with approximately RMB37,340,000 for 2013. Such decrease was mainly attributable to the decrease in government grants of RMB11,203,000 and the increase in scrap sales of RMB4,386,000.

#### *Other net income/(loss)*

The Group's other net income for 2014 was approximately RMB49,875,000 as compared with a net loss of approximately RMB72,915,000 for 2013. The increase was mainly attributable to the decrease in impairment losses of goodwill, intangible assets and property, plant and equipment of approximately RMB50,927,000 and the decrease in foreign exchange loss of approximately RMB9,137,000 and the gain of RMB50,263,000 from the disposal of 80% equity interest in Puyue Mining in December 2014.

#### *Selling and distribution expenses*

The Group's selling and distribution expenses for 2014 were approximately RMB32,938,000, representing an increase of approximately 13.3% as compared with the previous year. Such increase was mainly attributable to the growth of the copper foils business and corresponding increase in selling and distribution expenses.

### *Administrative expenses and other operating expenses*

The Group's administrative expenses and other operating expenses for 2014 were approximately RMB327,022,000, representing a decrease of approximately 20.7% as compared with approximately RMB412,432,000 for 2013. The significant decrease in administrative expenses was due to the implementation of several cost control measures by the Group in 2014.

### *Finance costs*

The Group's finance costs for 2014 were approximately RMB241,736,000, representing an increase of approximately 1.1% as compared with approximately RMB239,017,000 for 2013. Such increase was mainly attributable to the increase in average bank loans during the reporting period.

### *Profit attributable to the Company's equity shareholders*

The profit attributable to our equity shareholders in 2014 was approximately RMB33,687,000, as compared to the loss attributable to our equity shareholders in 2013 of approximately RMB673,365,000. The Company's basic earnings per share was RMB0.04. The Group does not recommend the payment of final dividend for the year ended 31 December 2014.

## **2. Liquidity and Financial Resources**

The Group generally finances its acquisition and operations with internally generated funds and bank loans. The cash and bank balances as at 31 December 2014 amounted to RMB531,258,000 (31 December 2013: RMB414,757,000).

The total equity of the Group as at 31 December 2014 amounted to RMB1,693,515,000 (31 December 2013: RMB1,676,203,000). As at 31 December 2014, the Group had current assets of RMB3,384,708,000 (31 December 2013: RMB3,032,528,000) and current liabilities of RMB3,268,473,000 (31 December 2013: RMB2,915,086,000). The current ratio was 1.04 (31 December 2013: 1.04).

As at 31 December 2014, the Group had total outstanding bank loans of approximately RMB3,489,135,000 with interest rates ranging from 1.45% to 6.60% per annum, of which approximately RMB2,108,826,000 was repayable within one year, approximately RMB1,113,827,000 was repayable after one year but within two years while approximately RMB266,482,000 was repayable after two years. The gearing ratio as at 31 December 2014 was 58.7% (31 December 2013: 56.4%) which was calculated by total borrowings including Medium Term Notes divided by total assets.

On 25 March 2011, the Company issued five-year Medium Term Notes of RMB400 million in the PRC. The notes are unsecured and will be redeemed on 25 March 2016, and bear a floating interest rate, which is based on the one-year deposit rate of the People's Bank of China plus a margin of 2.95% per annum.

On 17 June 2011, the Company issued five-year Medium Term Notes of RMB300 million in the PRC. The notes are unsecured and will be redeemed on 16 June 2016, and bear a floating interest rate, which is based on the one-year deposit rate of the People's Bank of China plus a margin of 2.85% per annum.

### **3. Security**

As at 31 December 2014, bank loans of the Group amounting to RMB261,893,000 were secured by the mining right of Istanbul Gold Mine with a carrying amount amounting to RMB98,661,000 and the ordinary shares of Full Gold, a subsidiary located in KR.

As at 31 December 2014, a bank loan of the Group amounting to RMB48,520,000 was secured by inventories with a carrying amount of RMB48,056,000.

As at 31 December 2014, a bank loan of the Group amounting to RMB171,328,000 was secured by the fixed deposit of RMB69,800,000.

### **4. Substantial Acquisition**

During the reporting period, the Group had no substantial acquisition.

### **5. Market Risks**

The Group is exposed to various types of market risks, including fluctuations in gold price and other commodity prices, changes in interest rates and exchange rates.

#### *Gold price and other commodities price risk*

The Group's turnover and profit for the year were affected by fluctuations in the gold prices and other commodities price as all our products are sold at the market prices and such fluctuation is beyond our control. We do not use and strictly prohibit the use of commodity derivative instruments or futures for speculation purpose, and all commodity derivative instruments are only used to minimise the potential price fluctuation of gold and other commodities.

#### *Interest rate*

The Group is exposed to risks resulting from the fluctuation in interest rates on our debt obligations. The Group undertakes debt obligations for supporting capital expenditure and general working capital. Our bank loans bear interest rates that are subject to adjustment made by our lenders in accordance with changes of the relevant regulations of the People's Bank of China. If the People's Bank of China increases the interest rates, our finance cost increases accordingly. In addition, to the extent that we may need to raise debt financing in the future, upward fluctuations in interest rates will increase the cost of new debt.

#### *Exchange rate risk*

The Group's transactions are mainly denominated in Renminbi. As a result, fluctuations in exchange rates may affect the international and domestic gold price, which may impact our results of operation. Renminbi is not freely convertible and the currency would fluctuate against a basket of currencies. The PRC government may take further actions and implement new measures on free trade of Renminbi.

In addition to the foregoing, the exchange rate risks to which the Group exposes are mainly from certain bank deposits, trade and other receivables, trade and other payables and bank loans, which are denominated in foreign currencies. The currency giving rise to risk is primarily United States dollars.

Fluctuations in exchange rates may adversely affect the value of our net assets, earnings and any dividends we declare when they are being converted or translated into Hong Kong dollars.

## **6. Contractual Obligations**

As at 31 December 2014, the Group's total capital commitments in respect of the construction costs which were not provided for in the financial statements were approximately RMB77,990,000, representing a decrease of approximately RMB114,285,000 from approximately RMB192,275,000 as at 31 December 2013.

As at 31 December 2014, the Group's total future minimum lease payments under non-cancellable operating leases amounted to approximately RMB13,473,000, of which approximately RMB2,839,000 was payable within one year, approximately RMB8,749,000 was payable after one year but within five years, and approximately RMB1,885,000 was payable after five years.

## **7. Contingent Liabilities**

As at 31 December 2014, the Group had no material contingent liabilities.

## **8. Capital Expenditure**

During the year 2014, the Group's capital expenditure was approximately RMB315,584,000, representing a decrease of approximately 11.8% from approximately RMB357,797,000 in 2013.

The Group's capital expenditure mainly relates to the construction of mining shafts, expansion projects equipment and upgrading of production equipment.

## **9. Human Resources**

In 2014, the average number of employees of the Group was 6,414. The Company highly treasures its human resources and provides its employees with competitive remuneration and training programs.

## **CORPORATE GOVERNANCE**

After our listing of H Shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 January 2006, the Company has complied with all Code Provisions under the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules, save for the deviation from Code Provision A.2.7 (the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present), Code Provision A.4.2 (directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment) and Code Provisions A.6.7 (independent non-executive directors and non-executive directors should attend general meetings).

Code Provision A.2.7 provides that the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present. During the year 2014, all meetings were held with the executive directors' presence. However, the chairman has delegated the secretary to the Board to gather any concerns and/or questions that the non-executive directors and the independent non-executive directors might have and report to him and arrange a meeting with them.

With respect to the re-election of newly appointed director, the Company has complied with Paragraph 4(2) of Appendix 3 of the Listing Rules, which permits the director who has been appointed to fill a casual vacancy of the Board to be subject to re-election at the next annual general meeting of the Company. As such, Code Provision A.4.2, which requires the re-election to take place in the next general meeting, were not adopted.

According to Code Provisions A.6.7, all non-executive directors and independent non-executive directors should attend the general meetings of the Company and develop a balanced understanding of views of shareholders. Mr. Jin Guangcai, our executive director, was unable to attend the annual general meeting of the Company held on 5 June 2014 due to other business engagement.

## **AUDIT COMMITTEE**

The audit committee comprises one non-executive director and four independent non-executive directors, namely Yang Dongsheng (Chairman), Shi Yuchen, Du Liping, Xu Qiangsheng and Han Qinchun.

The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters regarding the preliminary final results for the year ended 31 December 2014 together with the management of the Group. The audit committee has also reviewed the annual results for the year with the Company's external auditor. The audit committee is of the opinion that the financial statements for the year have complied with applicable accounting standards and appropriate disclosures have been made.

## **PURCHASE, SALES OR REDEMPTION OF SHARES OF THE COMPANY**

For the year ended 31 December 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

## **DIVIDENDS**

At the board meeting held on 27 March 2015, the directors do not recommend the payment of final dividend for the year ended 31 December 2014 (2013: RMBNil).

## **CLOSURE OF REGISTER**

The register of members of the Company will be closed from Tuesday, 5 May 2015 to Wednesday, 3 June 2015, (both days inclusive), during which period no transfer of shares will be registered. In order for the shareholders to qualify for attending the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H shares registrar, Computershare Hong Kong Investor Services Limited at shop 1712-1716, 17<sup>th</sup> Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares) or the registered office address of the Company at Hangu Road and Jingshan Road Intersection, Lingbao, Henan, the PRC (for holders of domestic shares), no later than 4:30 p.m. on Monday, 4 May 2015.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as the Company's code of conduct for dealings in securities of the Company by directors and supervisors. Having made specific enquiry of all the Company's directors, all directors and supervisors of the Company have confirmed that they had fully complied with the required standard set out in the Model Code throughout the year ended 31 December 2014.

## **PUBLICATION OF RESULT ANNOUNCEMENT AND ANNUAL REPORT**

This result announcement has been published on the website of Hong Kong Exchanges and Clearing Limited ("HK Exchange"), [www.hkexnews.hk](http://www.hkexnews.hk), and the website of the Company, [www.irasia.com/listco/hk/lingbao](http://www.irasia.com/listco/hk/lingbao). The 2014 Annual Report will be despatched to shareholders in due course and published on the websites of HK Exchange and the Company.

By order of the Board  
**Lingbao Gold Company Ltd.**  
**Jin Guangcai**  
*Chairman*

Hong Kong, 27 March 2015

As at the date of this announcement, the directors of the Company are:

*Executive Directors: Mr. Jin Guangcai, Mr. Qiang Shanfeng, Mr. Zhang Guo, Mr. He Chengqun and Mr. Zhou Yudao;*

*Non-Executive Directors: Mr. Shi Yuchen; and*

*Independent Non-Executive Directors: Mr. Yang Dongsheng, Ms. Du Liping, Mr. Xu Qiangsheng and Mr. Han Qinchun.*